

ASSEMBLY BILL

No. 1716

Introduced by Committee on Utilities and Commerce (Levine (Chair), Keene (Vice Chair), Bass, Blakeslee, Davis, Huffman, Jones, Krekorian, Smyth, and Tran)

March 1, 2007

An act to amend Section 884.5 of the Public Utilities Code, relating to telecommunications.

LEGISLATIVE COUNSEL'S DIGEST

AB 1716, as introduced, Committee on Utilities and Commerce. Telecommunications: California Teleconnect Fund Administrative Committee Fund.

Existing law establishes the California Teleconnect Fund Administrative Committee Fund in the State Treasury, and provides that moneys in the fund, collected by telephone corporations in utility rates authorized by the commission and deposited into the fund, may only be expended for the purposes authorized, upon appropriation in the annual Budget Act. Existing law requires the commission to develop, implement, and administer a program to advance universal service by providing discounted rates to qualifying schools, libraries, hospitals, health clinics, and community organizations. Existing law requires, for all customers eligible to receive discounts for telecommunications services under the federal Universal Service E-rate program (E-rate discounts), with the exception for certain necessary small schools, as defined, that also apply for discounts on telecommunications service provided through the California Teleconnect Fund program (teleconnect discounts), that the teleconnect discount be applied after applying the E-rate discount, as defined. Existing law requires the commission to

require, as a condition of participation in the California Teleconnect Fund program, that customers eligible for the E-rate discount provide the commission with information necessary for the commission to determine the percentage of the E-rate discount to which the customer would be entitled.

This bill would amend the exception for necessary small schools to instead make it applicable to certain small school districts, as specified, and would delete the requirement that customers eligible for the E-rate discount provide the commission with information necessary for the commission to determine the percentage of the E-rate discount to which the customer would be entitled. The bill would change references to “the” E-rate discount to “an” E-rate discount, and would amend the definition of “E-rate discount” to authorize the commission to use an actual E-rate discount or a representative discount figure, as determined by the commission.

Vote: majority. Appropriation: no. Fiscal committee: no.
State-mandated local program: no.

The people of the State of California do enact as follows:

1 SECTION 1. Section 884.5 of the Public Utilities Code is
2 amended to read:

3 884.5. (a) This section shall apply to all customers eligible to
4 receive discounts for telecommunications services under the federal
5 Universal Service E-rate program administered by the Schools and
6 Libraries Division of the Universal Service Administrative
7 Company that also apply for discounts on telecommunications
8 service provided through the California Teleconnect Fund
9 *Administrative Committee Fund* program pursuant to subdivision
10 (a) of Section 280.

11 (b) A teleconnect discount shall be applied after applying ~~the~~
12 ~~an~~ E-rate discount. The commission shall first apply ~~the an~~ E-rate
13 discount, regardless of whether the customer has applied for ~~the~~
14 ~~an~~ E-rate discount or has been approved, if the customer, in the
15 determination of the commission, meets the eligibility requirements
16 for ~~the an~~ E-rate discount.

17 (c) Notwithstanding subdivision (b), the teleconnect discount
18 shall be applied without regard to ~~the an~~ E-rate discount for any
19 ~~necessary small school, as defined in Section 42283~~ *school district*
20 *that meets the conditions specified for compensation pursuant to*

Article 4 (commencing with Section 42280) of Chapter 7 of Part 24 of the Education Code, unless that school *district* has applied for, and been approved to receive, the E-rate discount.

~~(d) As a condition of participation in the California Teleconnect Fund program, the commission shall require customers eligible for the E-rate discount to provide the commission with information necessary for the commission to determine the percentage of the E-rate discount to which the customer would be entitled. The commission may require that customers update this information annually or if there is a material change.~~

~~(e)–~~
(d) In establishing any discount under the California Teleconnect Fund program, the commission shall give priority to bridging the “digital divide” by encouraging expanded access to state-of-the-art technologies for rural, inner-city, low-income, and disabled Californians.

~~(f)–~~
(e) As used in this section:
(1) “E-rate discount” means ~~a~~ *an actual* discount under the E-rate program, *or a representative discount figure as determined by the commission.*

(2) “E-rate program” means the federal Universal Service E-rate program administered by the Schools and Libraries Division of the Universal Service Administrative Company.

(3) “Teleconnect discount” means a discount on telecommunications service provided through the California Teleconnect Fund *Administrative Committee Fund* program set forth in subdivision (a) of Section 280.

~~(g)–~~
(f) This section shall become operative on January 1, 2006.